

Message Text

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PAGE 01 MADRID 01880 140943Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 PA-01 PRS-01 USIA-06 /054 W
-----140952Z 021256 /20

R 111754Z MAR 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 9323
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY PARIS
USMISSION NATO
USEC BRUSSELS
USMISSION GENEVA

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E.O.11652: N/A
TAGS: ELAB, EGE, EFIN SP
SUBJECT: VIEWS OF NEW UNDERSECRETARY OF LABOR

1. THE CHARGE CALLED ON RECENTLY APPOINTED UNDERSECRETARY
OF LABOR FRANCISCO JAVIER DE ISTURIZ ON MARCH 11, ACCOMPANIED
BY THE LABATT. THE FOLLOWING COMMENTS WERE OF INTEREST.

2. THE MARCH 4 DECREE ON LABOR RELATIONS (MADRID 1715)
WAS A CALCULATED MOVE TO BRING SPAIN'S LABOR LEGISLATION
MORE INTO STEP WITH OTHER WESTERN EUROPEAN AND COMMON
MARKET COUNTRIES. WITH RESPECT TO THE BATTLE AGAINST
INFLATION, AN IMPORTANT MODIFICATION WAS THE ANNULMENT OF
LAST AUTUMN'S GOVT PROVISION WHICH IN EFFECT TIED WAGE
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PAGE 02 MADRID 01880 140943Z

ADJUSTMENTS TO COST OF LIVING INCREASE (1976 MADRID 7752).
THE LIBERALIZATION OF LABOR'S RIGHT TO STRIKE AND MANAGEMENTS
RIGHT TO FIRE WAS ALSO MEANT TO SET THE TONE FOR THE
CONDITION OF FREE TRADE UNIONISM AND FREE COLLECTIVE BARGAINING
EXPECTED MOMENTARILY. IN THAT CONNECTION, ISTURIZ ANTICI-
PATED EARLY ACTION IN THE CORTES TO FINALLY BLAST LOOSE THE
LONG AWAITED LEGALIZATION OF TRADE UNIONS BILL. HE ALSO

NOTED THAT THE BILL APPROVING SPANISH RATIFICATION OF ILO CONVENTIONS 97 AND 98 WOULD LIKELY EMERGE SIMULTANEOUSLY FROM THE CORTES.

3. ON THE SOCIAL SECURITY FRONT, THE UNDER SECRETARY DECLARED THAT IT WAS IMPERATIVE THAT THE GOVERNMENT START UNDERWRITING MORE OF THE SOCIAL SECURITY EXPENSES. EMPLOYERS, ALREADY LAYING OUT ROUGHLY PTAS. 30 IN SOCIAL SECURITY LEVIES FOR EVERY PTAS. 100 OF WAGES, SIMPLY COULD NOT PAY MORE. CURRENTLY 96 PER CENT OF THE SOCIAL SECURITY BUDGET COMES FROM EMPLOYER AND EMPLOYEE CONTRIBUTIONS, ONLY FOUR PER CENT FROM THE GOVERNMENT GOVERNMENTS FINANCE EXPERTS POINTED OUT, HOWEVER, THAT INCREASED SOCIAL SECURITY CONTRIBUTIONS BY THE GOVERNMENT WOULD HAVE TO AWAIT A GENERAL FISCAL REFORM. ISTURIZ ALSO SPECULATED THAT ONLY THE POST ELECTION, DEMOCRATICALLY ELECTED GOVERNMENT WOULD HAVE THE AUTHORITY TO MAKE THE BELT TIGHTENING ECONOMIC REFORMS NEEDED.

4. WHEN WE NOTED THE US SATISFACTION OVER THE OUTCOME OF THE ILO GOVERNING BODY VOTE ON THE ARAB ISRAELI ISSUE AND ARTICLE 17 AN THANKED SPAIN FOR IT SUPPORT (MADRID 1097) ISTURIZ REPLIED THAT HE HAD BEEN PLEASED TO HEAR ABOUT THE RESULTS IN GENEVA, IN RESPONSE TO A QUESTIONS REGARDING THE NAMING OF SPAIN'S WORKER DELEGATE FOR THE 1977 ILO CONFERENCE, THE UNDERSECRETRAY REPLIED THAT THIS WOULD BE A TACKLISH MATTER FOR IT WAS DIFFICULT TO KNOW WHICH OF THE SOON TO BE LEGALIZED UNIONS WAS MOST REPRESENTATIVE OF SPANISH WORKERS.EATON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 11-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Film Number: D770086-0943
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From: MADRID
Handling Restrictions: n/a
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ISecure: 1
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TAGS: ELAB, EGEN, EFIN, SP, (JAVIER DE ISTURIZ, FRANCISCO)
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